

Exhibit 4

Morningstar Report



Operational Risk Assessment

Ocwen Loan Servicing, LLC

September 2012

Ranking Classification:	Residential Mortgage Special Servicer Residential Mortgage Non-Prime Servicer
Assigned Ranking:	Residential Special Servicer: MOR RS1 Residential Non-Prime Servicer: MOR RS1
Forecast:	Stable (Both Rankings)
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Rationale

Morningstar Credit Ratings, LLC (Morningstar) has assigned Ocwen Loan Servicing, LLC, (Ocwen), an 'MOR RS1' ranking as a residential non-prime mortgage servicer and an 'MOR RS1' ranking as a residential special servicer. Our assigned rankings are based on our assessment of Ocwen's operational infrastructure, risk management, loan administration servicer performance metrics, default servicing, and loss mitigation strategies.

Key factors in Morningstar's Operational Risk Assessment of Ocwen are based on the following considerations:

- The company's highly tenured management team and relevant industry experience.
- Ocwen's superior level of technology provides a fully scalable foundation to accommodate the company's acquisitive business strategy with no current capacity constraints. Ocwen's technology environment overall, and its Data Quality initiative specifically, allows management to develop, quantify and manage loan servicing performance across the enterprise and efficiently transfer and integrate loan servicing portfolios with minimum performance disruption. Ocwen's proprietary technology provides a high degree of flexibility that allows the company to quickly develop innovative information delivery methods to its borrowers, especially in the areas of loan modification processing and first call resolution. Ocwen's Appointment Callback (ACB) Model represents an innovative approach to facilitating borrower-servicer interaction for at-risk borrowers. The ACB model promotes the goal of homeownership retention by supporting loan modification alternatives when feasible or collateral-based solutions, when necessary. For investors and other third parties, Ocwen's REALPortal web reporting system provides extensive loan level performance data and loan level analytics, providing a high degree of transparency to the marketplace.
- Ocwen's technology environment supports a robust disaster recovery and business continuity protocol, anchored by multiple servicing platforms across a global footprint. Network security, password administration, and borrower data confidentiality policies are clearly defined and routinely tested. In 2012, Ocwen is migrating its dedicated disaster recovery site from Bangalore, India to Denver, Colorado. The company has also enhanced its disaster recovery testing regimen from isolated testing to a fully integrated platform exercise and failover to the hot site.

- Ocwen has developed a comprehensive and independent auditing, testing and continuous improvement culture enterprise wide designed to mitigate operational risk. Corporate Internal Audit and the Quality Assurance group test and monitor performance in all loan servicing areas and provide continuous feedback to management. Corporate initiatives, such as its Basic Operating Principles and Data Quality initiatives are designed to enhance consistency, reporting and performance monitoring across all platforms. These corporate initiatives are key components in providing a solid risk management framework and promoting a performance culture as Ocwen continues its business growth strategy.
- Ocwen has an established track record as a special servicer, effectively integrating distressed assets onto its servicing platform. In the past 24 months Ocwen has acquired large servicing portfolios from HomEq, Litton Loan Servicing and Saxon. Ocwen's superior technology environment, quality control processes, effective customer service and overall performance management culture have enabled the company to minimize the significant servicing performance spikes often associated with large portfolio transfers. This assessment is supported by the servicer performance metrics collected by Morningstar and noted later in this report. Ocwen's proven track record of relatively smooth portfolio transfers provides a stable foundation for future acquisitions.
- Ocwen demonstrates an effective compliance culture within the organization. The Consumer Ombudsman area performs pre-foreclosure and pre-foreclosure sale file reviews to determine compliance with the Home Affordable Modification Program (HAMP) directives and statutory and regulatory guidelines. In response to industry headline risk and regulatory exposure, the company has developed robust processes and procedural guidelines around foreclosure affidavit preparation and attestation, as well as ensuring that borrowers qualifying under the Servicemember's Civil Relief Act (SCRA) are properly and accurately handled.
- Ocwen's loan modification efforts and community outreach efforts play a key role in the company's servicing strategy. Whether by virtue of the government sponsored Making Home Affordable program, or non-HAMP loan modification programs, homeownership retention is an enterprise wide focus supported by robust technology, innovative customer service initiatives and efficient workflow. As a special servicer, Ocwen is often able to improve portfolio performance and increase cash flow post-acquisition by offering various loan modification solutions on delinquent and non-performing loans. The veracity of the loan modification decisions is supported by comparatively low re-default rates over the past 36 months.
- Ocwen's servicer performance metrics, as collected by Morningstar and noted later in this report, meet or exceed industry standards in key areas of customer relationship management, homeownership retention and delinquency management.

Servicer Profile

Ocwen Financial Corporation, through its subsidiaries, is a leading provider of residential and commercial mortgage loan servicing, special servicing and asset management. Ocwen was established in 1988 and became a public company in 1996. Altisource Portfolio Solutions SA, (Altisource), previously a subsidiary of Ocwen, and headquartered in Luxembourg, became a standalone public company in 2009. Altisource provides various services to the mortgage servicing industry, including residential property valuation services, default management services, and customer relationship management services. Altisource's technology services comprises the REALSuite of applications, including REALServicing, Ocwen's primary technology application, Ocwen remains the largest client of Altisource.

Ocwen employs more than 5,000 staff across a wide geographic footprint that includes its corporate headquarters in Atlanta, GA; additional U.S. locations in West Palm Beach, FL, and Houston, TX; and international servicing platforms in Bangalore, India, Mumbai, India and Montevideo, Uruguay. Between the period January 1, 2010 and December 31, 2011, Ocwen doubled the size of its loan servicing portfolio via the purchase of mortgage servicing rights, subservicing agreements and mortgage servicing platform acquisitions. In 2010, Ocwen completed the acquisition of HomEq Servicing, a servicing business of Barclays Bank PLC, consisting of 134,000 mostly nonprime and distressed assets totaling \$22.4 billion in unpaid principal balances (UPB). In 2011, Ocwen acquired Litton Loan Servicing LP, a subsidiary of The Goldman Sachs Group, Inc. The Litton acquisition consisted of 245,000 residential mortgages with an aggregate unpaid principal balance of \$38.6 billion. More recently, Ocwen has completed the acquisition of SCI Servicing, Inc (Saxon Mortgage Services) representing about 103,000 totaling \$26.8 billion in UPB (\$10.8 billion of which was already subserviced by Ocwen). Ocwen also acquired the mortgage servicing rights to 42,458 loans from JP MorganChase totaling just over \$8 billion in UPB. In difficult market conditions, Ocwen has been able to leverage its special

servicing expertise to bring a high number of distressed assets to re-performing status post-acquisition, while maintaining low re-default rates.

As of June 30, 2012, Ocwen's loan servicing portfolio consisted of 586,563 loans with an aggregate UPB of \$94.3 billion, representing 1,287 servicing agreements for more than 50 clients. Ocwen has more than 5,000 employees globally. Of the total employees, 843 are employed in the United States, 4,141 (82%) are employed in India, and 79 in Uruguay. As part of this assessment, a Morningstar analyst visited Ocwen servicing sites in the United States, as well as its sites in Bangalore, India, and Mumbai, India. In India, the Morningstar analyst met with Ocwen's management team and staff, monitored calls in the customer care center, and attended training sessions for new hires.

Management has represented that Ocwen's continuing business strategy will be focused on incremental growth and opportunistic acquisitions via subservicing arrangements, purchasing mortgage servicing rights and mortgage servicing business acquisitions. In a joint venture between Altisource and Ocwen, management intends to obtain servicing rights on conforming and government guaranteed loans acquired by Correspondent One S.A. and Lenders One Mortgage Cooperative during 2013, to supplement and diversify its other acquisition portfolio growth channels.

In 2010, Ocwen received a Civil Investigative Demand (CID) from the Federal Trade Commission (FTC). Management has represented that they have complied with any information requests from the FTC. Management also further indicated that there has not been any additional inquiries, requests for information or any action taken since the initial CID. Therefore, the outstanding CID did not have any significant impact on our Operational Risk Assessment rankings. If there is any update or significant change with respect to this matter, we will publish an updated commentary at that time.

Forecast

Stable for the non-prime and special servicer rankings.

It is our opinion that the servicer rankings will remain unchanged during the next 12 months. In our view, Ocwen is fully capable of serving as a residential non-prime and special servicer for its investors and subservicing clients.

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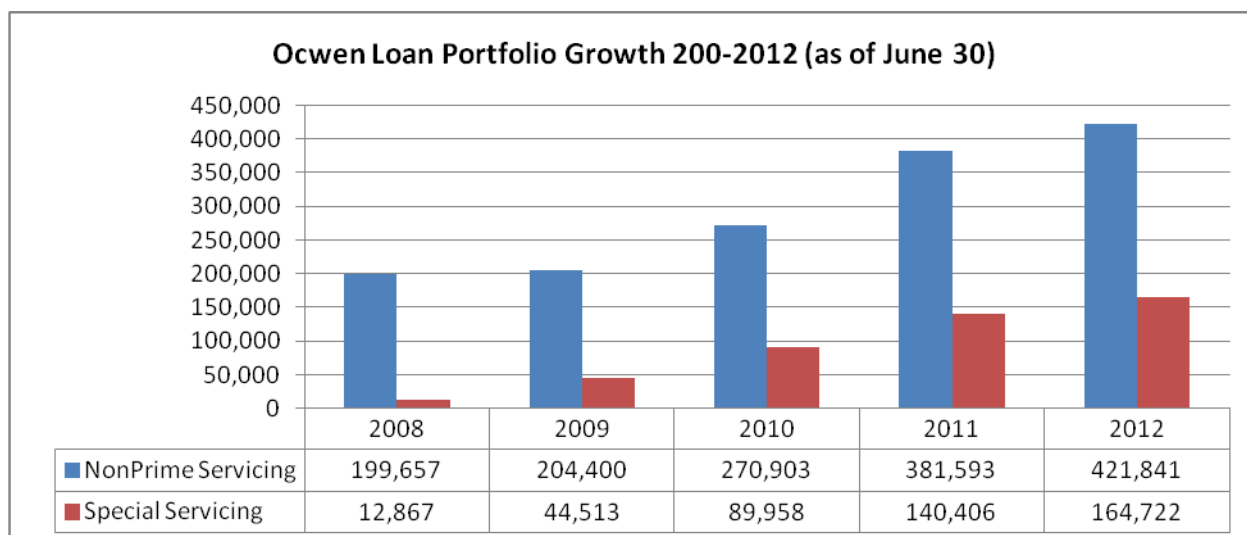
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Chart 1: Ocwen Loan Portfolio Growth 2008-2011

Operational Infrastructure and Risk Management (MOR RS1)

Audit

Ocwen has a comprehensive enterprise wide audit and risk management infrastructure in place that is designed to mitigate risk of loss to investors. The Internal Audit department is independent of loan servicing, and reports to the audit committee of the company's board of directors and the Chief Risk Officer. The Internal Audit department comprises a global staff of 32 individuals consisting of internal auditors and Sarbanes-Oxley personnel who review the operational soundness of the company's financial controls.

- The internal audit plan is developed annually and encompasses operational, technology, financial and compliance areas.
- Internal Audit considers all areas of loan servicing "high risk" and all areas are audited annually and are assigned a rating of "priority" or "high priority".
- Internal Audit monitors outstanding issues monthly and conducts testing to ensure that corrective action has been taken.
- An escalation process is in place via a monthly status report of "open items" that is distributed to the management team and the audit committee.
- Internal Audit ensures that disaster recovery and business continuity plans are updated semi-annually and tested periodically.
- Additional staffing capacity is embedded in the audit plan to permit additional areas of loan servicing to be audited based on business needs.

A review of Ocwen's audit results over a 14 month duration indicate no critical or systemic issues. Audit findings were resolved in an acceptable timeframe. A review of Ocwen's SSAE16, USAP, and Reg AB audits revealed no significant or critical issues.

From a risk management standpoint, a pervasive Quality Assurance (QA) program provides enterprise wide review and testing to ensure compliance with policies and procedures and regulations, quality review of customer facing contact areas, and the identification of areas for improvement.

- QA is independent of loan servicing, embedded in the Risk Management Group and reports directly to the Chief Risk Officer.
- QA monitors a minimum of six customer calls per month and evaluates a minimum of six outbound letters, calls or emails generating from Ocwen's Consumer Ombudsman area.

- Agent performance is closely monitored and critiqued in numerous areas and a minimum performance score of 90% is mandatory.
- Low performance scores are immediately reported to management and remedial actions are continuously monitored by QA.
- QA performs reviews to ensure the accuracy of billing statements and information provided by the voice response unit (VRU).
- QA produces daily, weekly, and monthly reporting and analysis to senior management including recommendations for improvement in quality scores.
- Fair Debt Collection Practices Act (FDCPA) violations are handled within a progressive disciplinary policy.
- QA also performs document reviews for loan modification programs, such as HAMP and non-government loan modification programs.
- QA conducts a 100% document review of all loan modification approvals and manual denials processed by the Underwriting group every month.
- QA also performs reviews of other non-customer facing areas, such as default management services, property preservation and valuation, real estate owned (REO) and title insurance functions.

Ocwen has embarked on a corporate initiative to support a continuous improvement culture in all areas of loan servicing operations. Known as "Basic Operating Principles" (BOP), the approach is to document all procedures and processes and develop and utilize a set of standardized metrics to provide consistency across all platforms. BOP essentially consists of four components: Workforce Management, Knowledge Management, Performance Management and Process Maturity. Designed as a continuous and self-perpetuating cycle, the following key components in the process are as follows:

- Staffing models are used to forecast resource requirements and key inputs are continuously validated.
- Detailed policies and procedures required to encompass processes, training and technology.
- Centralized incentive compensation plan and comprehensive quality assurance methodology to ensure optimum productivity and consistency.
- Focus on continuous improvement, including developing and utilizing metrics to track all key processes.

Ocwen has developed a Data Quality initiative to address data quality issues on an enterprise wide basis. The Data Quality methodology seeks to identify and define key data metrics that improve data quality, consistency and enhance performance monitoring across all platforms. A data dictionary defines key data attributes on a business and technology basis; a data quality dashboard provides monthly reporting and exception reporting resulting in proactive root cause analysis. A data footprint contains database tables used by various business units that minimize redundant data and enhance service level agreement (SLA) data and reporting requirement deadlines. Data governance defines standards and policies across the businesses and requires annual review and certification by all Ocwen employees.

A centralized vendor management area provides administrative approval, monitoring and recertification of vendors. This area reviews service level agreement requirements, ensuring vendor compliance with SAE 16, USAP, Regulation AB, Gramm-Leach-Bliley Act and other applicable reporting and legal requirements. While the individual business units monitor and critique vendor performance on a frequent basis, the administrative vendor management process encompasses an annual recertification process that requires vendors to have continuous approval based on a variety of criteria.

An office of the Consumer Ombudsman was created in 2004 to handle escalated customer and regulatory inquiries. A review of Ocwen's regulatory inquiries during 2011 indicates a spike in incoming volume in the third quarter commensurate with the acquisition of the Litton Loan Servicing business. However, Ocwen reported 100% compliance with Real Estate Settlement Procedures Act (RESPA) and Fair Credit Reporting Act (FCRA) requirements during the entire year.

Loans that are subject to interest rate relief under the Servicemember's Civil Relief Act are primarily handled by the Adjustable Rate Mortgage (ARM) team. SCRA eligible accounts are coded in the system and updated with the relevant adjusted interest rate information and blocks on any potential foreclosure activity. Additional SCRA controls are in place as follows:

- Ocwen correspondence includes inserts encouraging borrowers entitled to SCRA relief to contact customer care.
- Prior to the expiration of SCRA relief, Ocwen generates a notice to the servicemember requesting notification of any extensions or redeployments.
- A pre-foreclosure file referral and pre-foreclosure sale review includes a review for SCRA information, including a search of the Department of Defense (DOD) website.
- Any denial of SCRA relief is reviewed by Compliance Counsel prior to a denial letter being generated.
- An annual training review of SCRA materials, including the statute, a quick reference guide and an online exam are administered.

Assessment: We believe that Ocwen operates within a highly effective and multi-layered audit and risk management infrastructure. Management's focus on a pervasive audit and quality control approach is further enhanced by Ocwen's focus on a continuous improvement environment via the BOP initiative, as well as identifying and documenting consistent data quality standards will continue to provide Ocwen with the necessary foundation for continued portfolio growth.

Technology

Ocwen operates in a highly effective technology environment anchored by its proprietary RealServicing enterprise wide loan servicing system, which is a fully integrated real-time application for transaction management. The system is integrated with Aspect voice technology. RealServicing is fully scalable and can support more than twice the current servicing portfolio. Ocwen has developed independent ancillary websites for its customer care center, real estate properties for sale, investor loan reporting, and a corporate wide intranet portal.

The Information Security Department (ISD) reports independently to Risk Management and develops information security policies, monitors network activity and anti-virus programs. ISD reviews monthly reports to ensure that terminated users do not have continued password access. Network penetration testing is conducted internally by Ocwen and externally by a vendor on a periodic basis, and employee password policies and controls are in place.

An enterprise wide disaster recovery and business continuity plan is in effect. The entire servicing platform is duplicated in the disaster recovery site. The dedicated disaster recovery site, located in Bangalore, India, since 2006 is being relocated to Denver, Colorado in 2012. Also in 2012, Ocwen is migrating from isolated disaster recovery testing to a fully integrated servicing platform exercise encompassing a full cutover from the primary site in Georgia to the disaster recovery site. Data backup tapes are stored in an offsite archival facility and encrypted.

Assessment: We believe that Ocwen operates in a highly effective automated environment. Ocwen's proprietary technology provides the company with system architecture in which to anticipate and react to industry changes and business development objectives with flexibility and speed. Ocwen's expansive geographical platform footprint provides built-in operational redundancies and time zone differentiation, which enhance disaster recovery and business continuity across the loan servicing businesses.

Management and Staff Tenure & Organizational Turnover

As of June 30, 2012, Ocwen employed more than 5,000 staff worldwide. The number of loans serviced per servicing employee is 162. The company did not provide data on loan servicing costs. Ocwen has a seasoned management team that has contributed to a stable loan servicing environment over the years. The senior management team has an average of 20 years of relevant industry experience and 6 years with Ocwen. Supervisors and managers have an average of 10 years of industry experience and 3 years tenure with Ocwen. Experience levels within loan servicing are generally good for collectors and foreclosure counselors with about 5 years of industry experience and 1 to 2 years tenure with the company. Loss mitigation counselors are more tenured with an average of 4 years of industry experience and 4 years tenure with Ocwen.

Management turnover across the organization is 10% and servicing staff turnover is 15%. In recognition of the significant platform acquisitions Ocwen has undertaken during 2011, these turnover rates are acceptable.

Assessment: We expect Ocwen's turnover rates to stabilize further during 2012 unless additional large platform acquisitions are completed later this year. Presently, the company operates with a tenured management team and experienced staff.

Organizational Structure and Business Strategy

Ocwen Financial was established in 1988 and became a public company in 1996. The company is headquartered in West Palm Beach, FL and has multiple servicing locations in the United States (FL and TX), India and Uruguay. More than 83% of the workforce is based offshore. Ocwen's business strategy is an acquisitive one, with notable servicing business acquisitions in the past 24 months including HomEq, Litton Loan Servicing and Saxon Mortgage. During the period from 2009 to 2011, the servicing portfolio grew from \$49 billion to more than \$102 billion. Approximately 86% of the portfolio consists of servicing rights owned by Ocwen and the remaining 14% are loans subserviced by Ocwen. 84% of the loan servicing portfolio consists of non-prime mortgage loans.

Assessment: It is expected that Ocwen will continue its acquisitive business strategy and make opportunistic loan servicing purchases and subservicing agreements. Although Ocwen's recent acquisitions have been substantial, it has an established infrastructure to support the business growth, most notably, flexible technology, enhanced internal controls and global platforms from which to build capacity commensurate with business goals.

Training

Ocwen provides a comprehensive training environment for both new hires and tenured employees. Training classes and corresponding subject matter content are mirrored across all of Ocwen's global platforms providing a consistent educational framework for Ocwen loan servicing staff. New hires receive 240 hours of training. The extensive training regimen includes formal classroom training, technology instruction and skills evaluation. All new hires learn the basics of the mortgage industry to gain a global understanding of the business as well as job-specific knowledge. Detailed job position profiles identify the requisite skills necessary for successful candidates and recruiters utilize cognitive and personality tests to align candidates with the most suitable position. FDCPA requirements form an important part of training and consist of 8 hours of instruction, including a written test. All employees must undergo annual FDCPA recertification also. There is a 3 week on-the-job mentoring period for call center staff where skills are further evaluated prior to any representative interacting live with a borrower.

The new hire training program is supplemented by additional training classes available on the company's corporate intranet site. Individual development plans are established for career pathing purposes and to minimize staff turnover. Continuing education in default management averages 40 hours annually and Ocwen utilizes external vendors and industry organizations for additional educational opportunities.

Assessment: We believe that Ocwen's training programs provide a solid foundation for training its employees across an extensive international platform. The mixture of classroom training, on-the-job mentoring, skills testing and career pathing development promote an educated workforce with consistent knowledge and application of Ocwen's loan servicing policies.

Policies and Procedures

Ocwen has comprehensive loan servicing policies and procedures in place that are available to all employees on the company's intranet site, which serves to promote consistent application of servicing practices across the enterprise. Policy and procedure guides are comprehensive, providing an effective mix of narrative overview, as well as step-by-step instruction supplemented by screenshots making it an excellent reference and training tool. A formal process for updating policies and procedures is in place and is reviewed by legal, compliance and audit on a periodic basis. In addition to policies and procedures on the company intranet, a matrix of key provisions of various pooling and servicing agreements are available and accessible by all applicable staff.

Assessment: We believe that Ocwen has comprehensive policies and procedures in place that are easily accessible by all staff that provide a solid training foundation and ongoing consistency in the application of servicing practices across the company's global footprint.

Legal Liability and Corporate Insurance

Ocwen's Law Department is responsible for coordinating litigation, regulatory compliance and dispute resolution. The FTC Civil Investigative Demand issued in 2010 has not progressed and is essentially dormant at this point in time. Management represents that there is no litigation presently pending that poses a significant threat of loss to the company. Management reported that the company has a directors and officers (D&O)/fidelity bond, and errors and omissions (E&O) and mortgage impairment insurance in place. For more information, please review Ocwen's most recent SEC Form 10-K annual report.

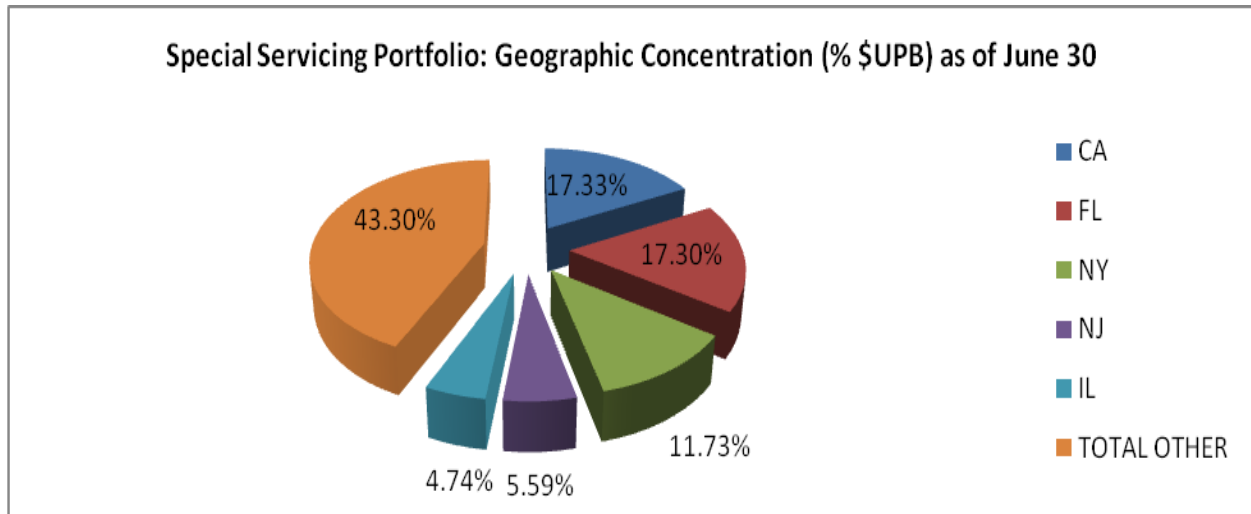
Assessment: Based on the company's most recent Form 10-K annual report and the representations made by its management, we believe that the company is not subject to any material litigation that could significantly impact its operational ability. Management represents that there is sufficient corporate insurance in place to meet all contractual obligations.

**Loan Administration: Servicer Performance Metrics
Non-Prime and Special Servicing Administration
(MOR RS1)**

Special Servicing Overview

During the course of its business, Ocwen acquires delinquent or 'non-performing' mortgage loans. As a residential special servicer, Ocwen's priority is to convert these non-performing mortgage loans to a cash flowing status and keep the customer in their home. If the borrower does not exhibit the ability and/or willingness to work out a payment arrangement, Ocwen, as servicer, must foreclose and market the property as expeditiously as possible and minimize financial losses to its investors.

Chart 2: Special Servicing: Geographic Concentration (% \$UPB, as of 6-30-12)



Ocwen's due diligence team performs a review of assets pre-closing to determine the status of pending foreclosures and bankruptcies in progress, as well as any actual or potential contested legal issues. Management represents that Ocwen has improved the overall performance of recent large servicing acquisitions by reducing 60+ day delinquencies, increasing loan modification volume and decreasing advances as a percent of the UPB. Ocwen's post-acquisition performance in these categories is illustrated by the following charts and reflects positive performance trends among the four largest portfolio acquisitions completed by Ocwen in the past 24 months.

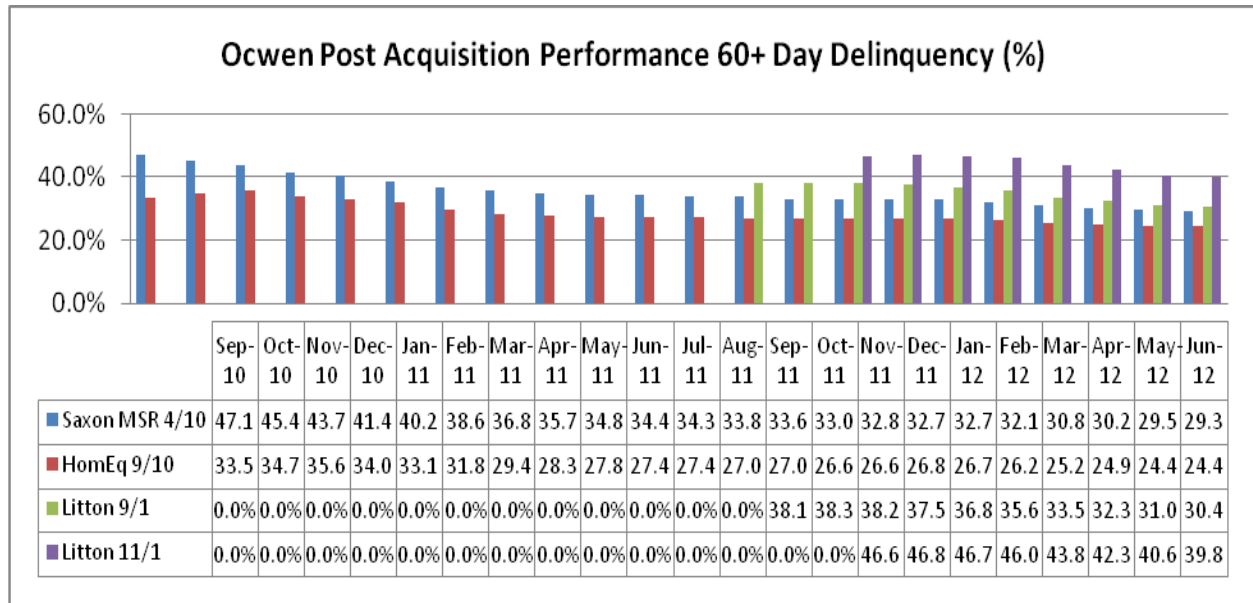
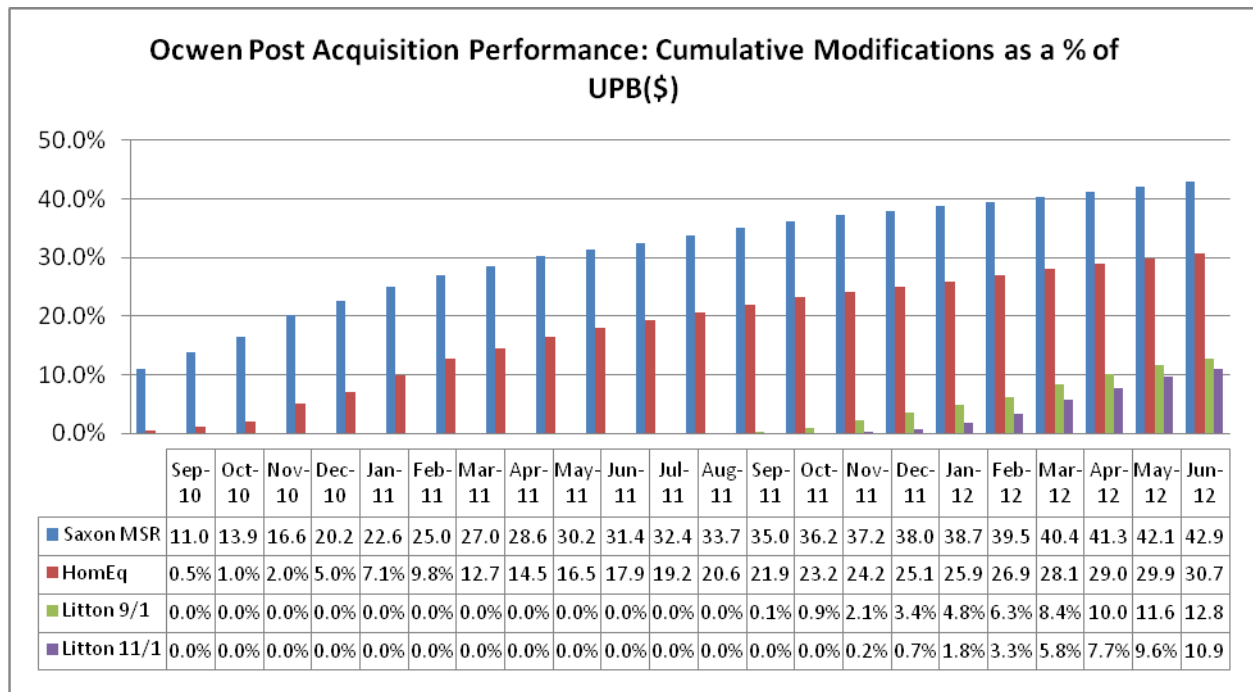
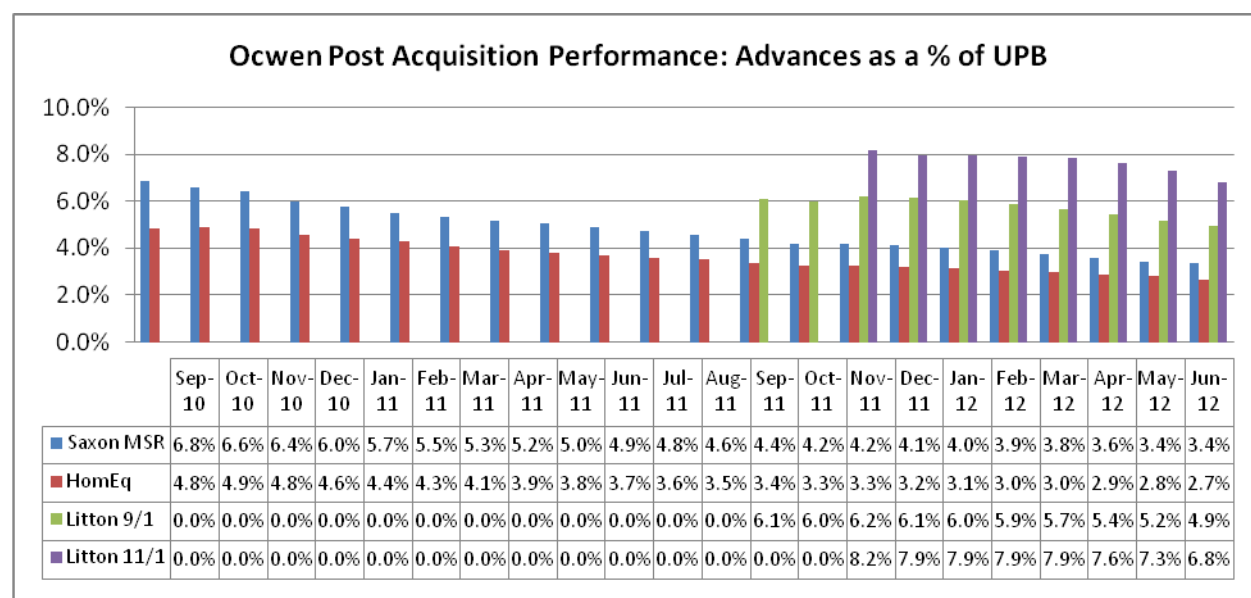
Chart 3: Ocwen Post-acquisition Performance 60+ Day Delinquency (%) (as of June 30, 2012)**Chart 4: Ocwen Post-acquisition Performance: Cumulative Modifications as a % of UPB(\$) (as of June 30, 2012)**

Chart 5: Ocwen Post-acquisition Performance: Advances as a % of UPB(\$) (as of June 30, 2012)**Investor Accounting and Reporting; Corporate Advancing**

Investor reporting, account reconciliation and investor remitting areas are properly segregated to minimize risk of loss to investors. All pooling and servicing agreements are summarized and the key points are electronically stored in an investor characteristics table for use in a variety of areas, including loss mitigation for guidance in loan modification approvals. The investor reporting group is responsible for monthly remittance reporting, monthly default reporting, and interim reporting.

Ocwen's Data Mart technology serves as a robust data warehouse that downloads and stores data from various Ocwen systems based on a schedule and performs all loan level calculations. The Data Mart utilizes exception based processing to identify possible data issues and provides investor reporting templates based on saved queries. The Data Mart is developed on the rules contained in the investor characteristics table and includes key reporting and remittance dates, and investor information. Ocwen's REALPortal.com provides access to extensive data to investors, including loan level performance metrics. Users can run ad hoc data queries as well as custom reports that can be saved and downloaded.

HAMP requires extensive reporting from servicers and the investor reporting Data Mart allows Ocwen to comply with all of these requirements in the requisite government sponsored entity (GSE) required formats. For the HAMP, Ocwen provides trial period plan reporting, official modification reporting, monthly activity reporting (post-modification), and HAMP incentive payment reconciliations. Borrower incentive payments are also tracked in the REALServicing system.

As of June 30, 2012, the Ocwen first lien servicing portfolio consisted of fixed rate mortgage loans (79%) and adjustable rate mortgage (ARM) loans (21%). Arm indices are validated via the REALServicing system's workflow engine and are subject to a quality control review by the supervisor. Payment change notifications are handled in compliance with RESPA and borrowers are provided with an initial rate change notice at 90 days and 180 days prior to their scheduled change. Ocwen conducts outbound calling campaigns notifying borrowers who are undergoing their initial rate change period under the mortgage note terms.

Investor accounting is responsible for the timely and accurate completion of custodial bank account reconciliations. Ocwen's organizational structure is designed to provide a segregation of duties between the investor reporting and investor accounting functions, although cross-training is appropriately encouraged within the two areas to promote career pathing and provide enhance business continuity support.

A Reconciliation Tracking Database (RTD) captures all reconciling items across all deals and creates a workflow queue for reconciling items. RTD also tracks the age of reconciling items and the dates that outstanding items are cleared. The data gathering process is 100% automated to ensure integrity of investor data and the investor remitting process is also 100%

automated, minimizing the risk of human error. Electronic access to bank account statements serves to facilitate the reconciliation process and management reviews all bank account reconciliations and investor reports for accuracy.

A review of Ocwen's SSAE16, Reg AB, and USAP reports issued in 2012 contained no material findings.

As a residential mortgage loan servicer acting in the capacity of servicer on various RMBS transactions, Ocwen advances funds for the payment of escrow, corporate and principal and interest charges pursuant to the contractual terms of various pooling and servicing agreements. Various advance facilities are secured for the purpose of financing these advance expenditures. All advances are fully recoverable and tracked on the company's balance sheet. Corporate advances are disbursed once a loan is 90+ days delinquent. The Advance Facility Group has developed a process map with controls over journal entries that are periodically tested by Internal Audit.

Ocwen's significant acquisitions of servicing platforms, mortgage servicing rights and subservicing of somewhat distressed portfolios has sometimes created cash shortfalls to investment grade bonds due to the higher level of loan modifications and resulting advance recoveries post-servicing transfer. Ocwen announced an adjustment to its advance recovery policy last year stating that Ocwen would model each RMBS deal transferred and determine the amount of cash needed to maintain sufficient cash flow prior to each remittance date; and "to the extent the model shows standard advance recovery procedures would contribute to a cash shortfall to highly rated bonds or swap counterparties, Ocwen will eliminate the shortfall, to the extent possible, by deferring recovery of certain advances in that remittance cycle".

Ocwen reported average advancing costs, excluding principal and interest, on the life cycle of a delinquent loan as approximately \$8,328.00 and consisted of the following:

- Legal/court costs for legal proceedings average \$1,148.00.
- Attorney fees for legal proceedings average \$674.00.
- Property preservation costs average \$1,584.00.
- Real estate tax payment advancing averages \$3,607.00.
- Hazard insurance payment advancing averages \$1,294.00.
- Flood insurance payment advancing averages \$1,169.00

Assessment: We believe that Ocwen's investor reporting and accounting areas are highly efficient due to a high level of automation. The reporting and remitting functions are housed within a pervasive control environment that serves to minimize risk of loss to investors as illustrated by the excellent audit results. Ocwen provides a high level of transparency to investors by virtue of its Data Mart technology and the extensive amount of data that is available for investors to utilize. Ocwen, in our opinion, maintains detailed and effective advancing practices in accordance with industry standards. We believe that its 2011 advancing policy update modifying its methodology of recapturing advances and further outlined its approach to minimize cash flow shortfalls to the trust should serve as an industry model.

Customer Relationship Management

Ocwen's customer care and home retention initiative is truly a global virtual call center employing more than 1,600 staff. Customer care is located in the United States, as well as Uruguay and multiple platforms in Bangalore and Mumbai, India. Ocwen's global footprint provides access to multiple, international job markets, expanded service hours and enhanced business continuity support. Customer care representatives undergo an extensive training program that provides them with a comprehensive understanding of the U.S. mortgage financing system, as well as technology and soft skills training. After classroom training, there is a two week period where trainees shadow tenured agents. This must be completed before trainees are permitted to handle active callers. Ocwen utilizes personality profiles during the recruiting process and a dedicated Consumer Analytics group develops scripting, based on behavioral science principles that are used extensively for effective resolution-based interaction with borrowers.

Ocwen's performance metrics indicate effective results in customer relationship management as follows:

- It has an abandonment rate of 0.86%, which compares favorably with industry call center standards.
- It has an average speed of answer averaging 12 seconds, which compares very favorably to industry standards.
- Average talk time is 533 seconds and the average handling time is 664 seconds.

- The voice response unit (VRU) has a capture rate of 51%, which is very satisfactory for a portfolio mix of nonprime and distressed assets.
- The turnover rate is 23%, which is competitive with global call center metrics; however, Ocwen's continuous focus on employee engagement and communication is designed to further minimize turnover.
- Extensive call monitoring is conducted monthly and includes written feedback and call scoring.
- There are extensive bilingual capabilities among customer care representatives.

Customer care also handles outbound calls including customized collection campaigns, missing document calls, trial payment reminders and invitations to loss mitigation events. Ocwen developed an innovative approach to the single point of contact mandate known as the Appointment Call Back Model. It is a proactive model where the customer care representative will make an appointment with the borrower to speak with a loss mitigation counselor at a designated date and time. The borrower receives a reminder message the day before the appointment that provides the borrower with the necessary time to gather documents and supporting information, while providing the agent with sufficient time to acquaint themselves with the borrower's file prior to the call. The dialer automatically calls the borrower at the designated time of the appointment. If the agent is busy on a prior call, excess capacity in the call center allows another representative to handle the call or reschedule with the borrower.

Customer correspondence (QWR) is handled in accordance with RESPA guidelines and Ocwen provides an interactive website with the following capabilities:

- Welcome call self-service capabilities.
- Access to payoff and reinstatement quotes and loan documents.
- E-commerce capabilities, including recurring withdrawals, one time payments and notification of payments pending.
- Request for a customer care 'callback'.
- Extensive modification information, including:
 - HAMP information;
 - Modification package request/status update;
 - Outstanding loan modification documents; and
 - Real estate tax and hazard insurance information.

During the past 12 months Ocwen has enhanced its proprietary voice response unit (VRU) technology to include improved menu wording and flow designed by its Consumer Psychology group. New VRU features include account identification by telephone number (ANI); information regarding recent payments made and payment changes; credit reporting information; and detailed status of loan modification and short sale requests.

Staffing and capacity planning are projected utilizing eWorkforce Management (eWFM) technology. Short-term call volume spikes resulting from loan boarding surges are measured and resulting volume spikes are minimized by leveraging overtime opportunities. Ocwen's overall loan servicing performance metrics have remained consistently strong, despite several large acquisitions during the past 24 months, as a result of management's ability to forecast staffing needs commensurate with growth opportunities. Management reports that the error rate on staffing capacity is less than 5%.

Assessment: We believe that Ocwen's customer relationship management benefits from flexible technology and a continuous improvement culture. Ocwen's performance metrics in this area are generally excellent, indicating highly effective borrower outreach and responsiveness. The Appointment Call Back Model represents an innovative approach to first call resolution and compliance with Single Point of Contact (SPOC) and the company's highly functional customer facing website provides a diverse menu of self serve options. Capacity planning has been effective in preventing significant call volume spikes during loan boarding surges effectively supporting Ocwen's business growth strategy.

Payment Processing

Ocwen has an efficient cash management function in place with the following controls:

- Video monitors provide surveillance over payment processing operations.
- Entry to the payment processing areas is restricted to employees with card key access.
- The desks do not have storage drawers.

- A fireproof safe is used to store items that can not be immediately identified for further research and handling. A workflow task tracker within the servicing system will track and monitor outstanding held items for resolution.
- Ocwen's iPay technology records trailing payments from other servicers and will delay credit reporting as applicable.
- Dedicated staff perform bankruptcy plan payment processing, ensuring that payments are accurately posted with minimal human error.

The staff turnover rate in cashiering is in excess of 13%, which is acceptable given the acquisitions that Ocwen has completed over the past year, although we would like to see this stabilize at a somewhat lower rate in the future. Ocwen has solid performance metrics and efficiencies in the cash processing area, including:

- The overall lockbox processing rate of 98.49 is highly competitive with the industry average.
- Automated payment methods, such as electronic funds transfer and e-commerce via Ocwen's website account for 18.62% and 14.95% of payment processing, respectively.
- The lockbox error/reject rate is minimal at 1.51% and only 2.93% of payments are manually posted.

Assessment: The payment processing function is, in our view, highly automated and efficient. The automated environment provides a high degree of efficiency and the pervasive controls in place contribute to solid performance metrics in the cash processing function.

Loan Boarding and Document Tracking

Loan boarding for new mortgage loans and acquired assets is 100% electronic utilizing a proprietary conversion model that converts new loan data to the REALServicing system. Customer notification letters are generated pursuant to RESPA guidelines. During 2011, Ocwen boarded 257,000 loans, averaging 21,490 loans per month. Comprehensive data scrubbing is performed and exception reports are generated, reviewed and tracked for outstanding items. There is a 100% data and document quality control process in place to ensure data integrity. Ocwen is migrating from imaging to Optical Character Recognition (OCR) technology that should improve document retrieval, minimize data entry and document classification errors and reduce costs. As a result, Ocwen expects turn times for loan modifications (and corresponding service level agreements) to be improved, while also providing virtual real time confirmation of documents received during customer interaction. Welcome calls are performed with an efficient 35% contact rate, while new customers may also confirm welcome calls via the self-service mechanism on the website.

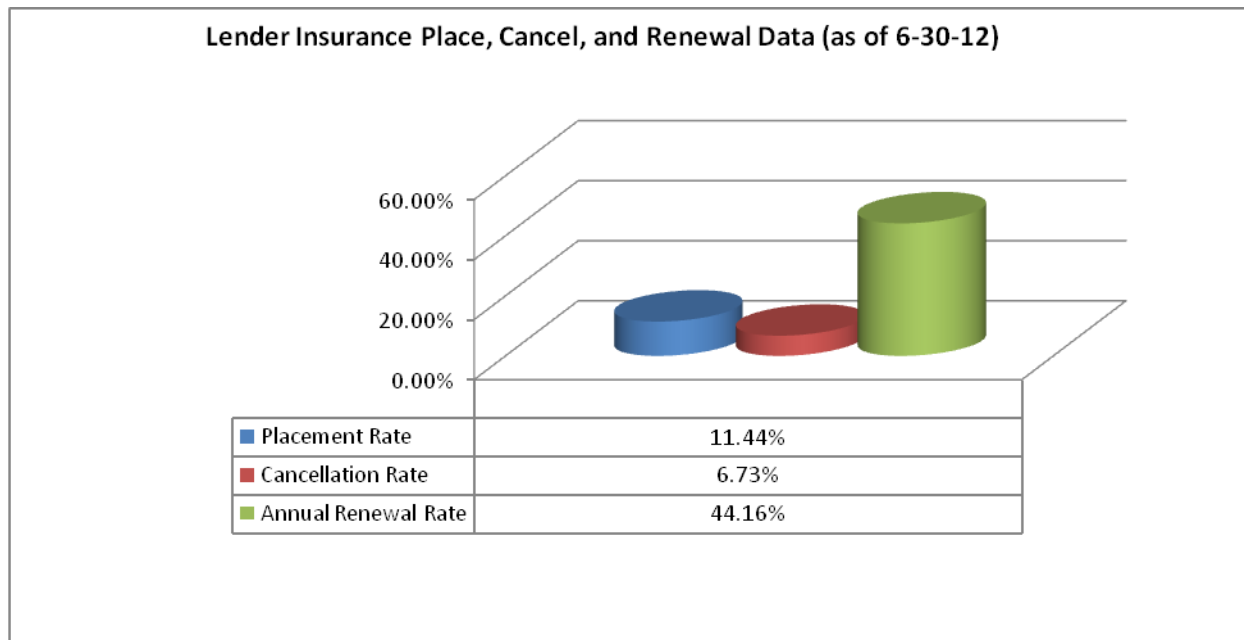
Assessment: The new loan boarding and document tracking process is, in our view, highly automated and effective. Technology improvements planned for this year should serve to further improve efficiencies, while also providing an enhanced customer service experience.

Escrow Administration

Approximately 84% of Ocwen's loan servicing portfolio is escrowed for real estate taxes and/or hazard and flood insurance. Escrow analysis is performed in compliance with RESPA guidelines and is scheduled on an annual anniversary date basis or at the borrower request. Nearly 27,000 escrow analyses are performed monthly. In late 2010, Ocwen in-sourced various real estate tax processing functions, including:

- Customer service calls.
- Tax research from borrower inquiries.
- Incoming mail, email and fax processing.
- Letter cycle for delinquent taxes on non-escrowed loans.

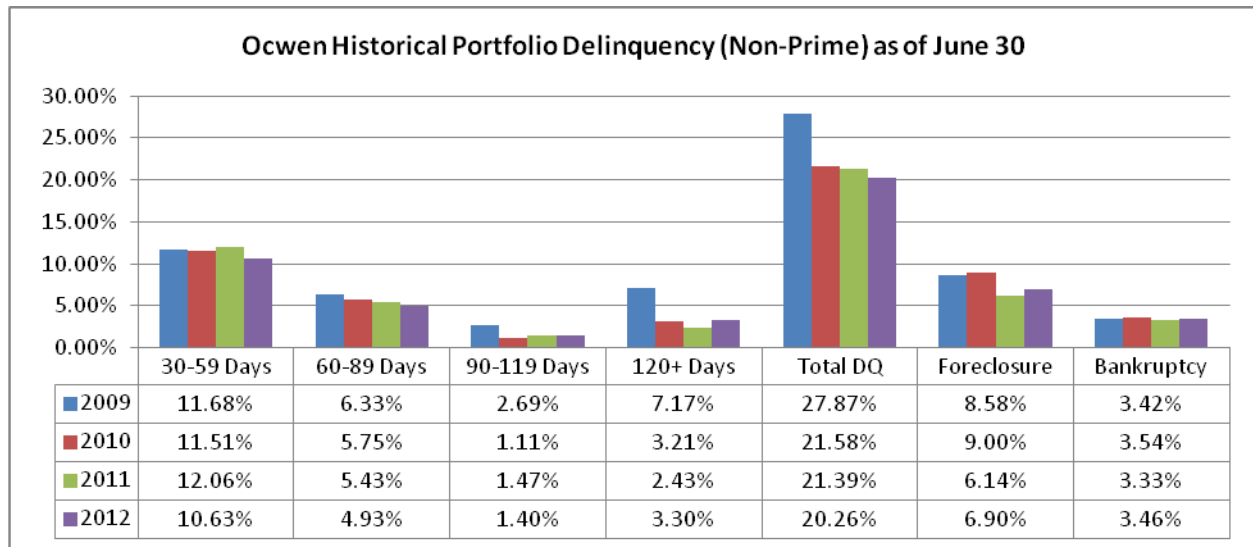
The insourcing of certain real estate tax processing functions provides Ocwen with greater control over the customer experience and also reduces costs associated with certain functions. Real estate tax bills continue to be procured by a third party vendor. Hazard and flood insurance functions are outsourced to a third party vendor that provides policy tracking, borrower interaction, premium disbursements and lender placed coverage. The vendor employs a dedicated group for Ocwen's customers. The lender placed letter cycle includes three separate letters to the customer prior to securing coverage. Second letters in the cycle are sent via certified mail and telephone calls are made to the borrower on non-escrowed loans and/or the insurance carrier 20 days in advance of expiration. Vendor performance is monitored in accordance with service level agreements, established workflows, and call monitoring and performance reports.

Chart 6: Lender Insurance Place, Cancel, and Renewal

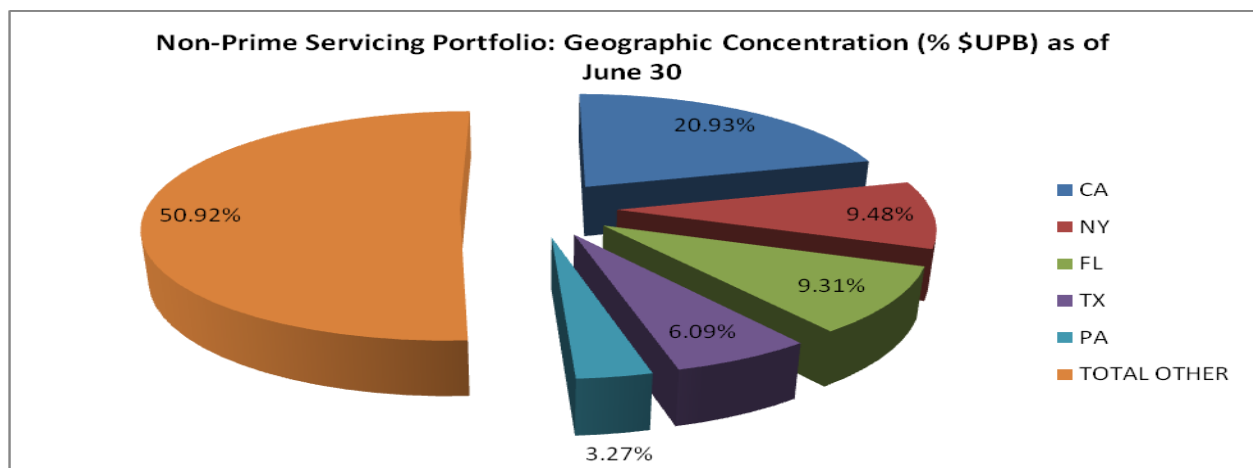
The following are key performance metrics in the Escrow Administration area:

- Non-reimbursable real estate tax penalties average a low .05 per loan.
- The right party contact rate for pre-exiration hazard insurance policy renewals is an effective 84.88%.
- Lender placed insurance placement rate and cancellation rate is 11.44% and 6.73%, respectively which is in line with industry averages for this type of loan portfolio.
- Lender place renewal rate on an annual basis is 44.16% indicating a well controlled process.

Assessment: In our view, Ocwen's servicing performance metrics in the escrow administration reflect a superior level of performance and risk management. The company's stated policies, processes, and borrower outreach efforts are clearly defined and provide very effective controls of the various escrow administration functions.

**Default Servicing and Loss Mitigation Strategies
(MOR RS1)****Chart 7: Ocwen Historical Portfolio Delinquency (Non-Prime Portfolio, as of 6-30-12)****Delinquency Management**

Delinquent accounts are handled by the Customer Care group in a blended environment for inbound and outbound calls. The agents are trained to handle all types of inquiries in a resolution-based environment and calls may include customized calling campaigns, trial payment reminders, missing document follow-up calls, appointment reminders, and invitations to loss mitigation events. An Aspect blended dialer is used for collection activity and calling campaigns are structured around payment behavior and various scoring methodologies, including best time to call logic. An early delinquency indicator reviews recent payment behavior and assigns a score based on the likelihood of the delinquency ageing further. The borrower's Fair Isaac Corporation (FICO) score and current loan-to-value ratio are updated quarterly. A dedicated team performs skip tracing on delinquent accounts utilizing external vendors to assist with borrower location and identification.

Chart 8: Non-Prime Servicing: Geographic Portfolio Concentration (% UPB\$; as of 6-30-12)

Collection call activity escalates in frequency from days 17 to 29 and past day 30. After 30 days, a digital videodisc (DVD) is sent to the borrower explaining how to complete a Home Affordable Modification (HAMP) application and encouraging contact with their servicer. Delinquent notices and letters are generated based on an approved timeline. A property inspection and door knock is ordered on day 66 and an updated Broker's Price Opinion (BPO) is ordered on day 80, prior to foreclosure initiation.

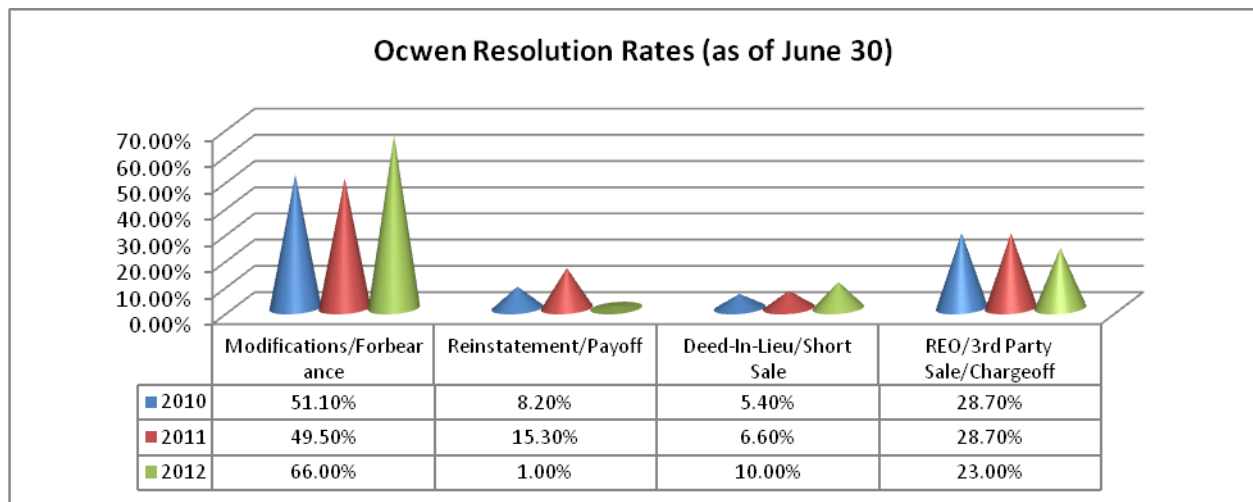
The following are key performance metrics:

- Managers have an average of 8 years of industry experience and 3 years tenure with Ocwen.
- Collectors have an average 5 years of industry experience and 2 years tenure with Ocwen.
- There are 6 call monitoring sessions per month per agent with extensive feedback provided.
- Approximately 35% of calling campaigns are conducted during prime time calling hours.
- The right party contact rate for the 30+ day and 60+ day delinquency buckets is 34% and 41%, respectively.
- Agents average 3 promises to pay per dialer hour.
- The promise to pay success rate for 30+ day and 60+ day delinquent accounts is an effective 76% and 70%, respectively.
- The skip tracing locate rate is an efficient 60%.

Assessment: Delinquent account collection, in our opinion, is well managed by virtue of Ocwen's focus on resolution-based outcomes. The comprehensive employee training programs and ongoing performance management practices provide customer care agents with the ability to handle customer inquiries and delinquent account collections effectively in a blended environment. This organizational structure also provides enhanced capacity as call volumes dictate and additional disaster recovery and business continuity support. Ocwen's calling campaigns and collection letter cycle is in accordance with various investor requirements and appears appropriately proactive. Overall, servicer performance metrics are consistent with a high degree of efficiency and compare favorably with industry standards.

Homeownership Retention and Borrower Outreach

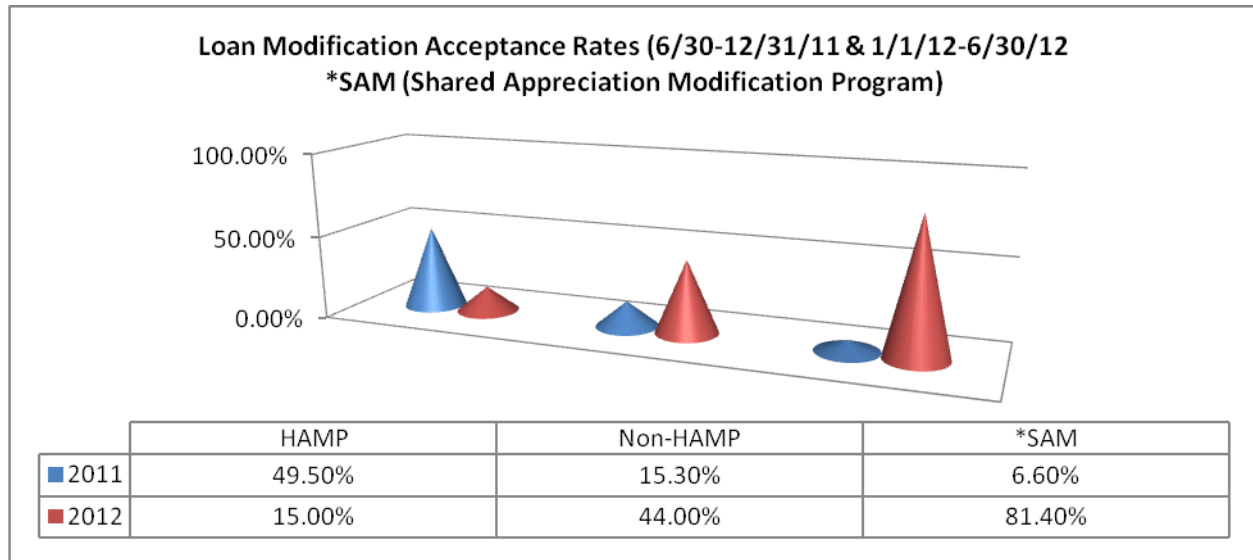
Chart 9: Ocwen Resolution Rates (6-30-12)



Ocwen's Home Retention team is primarily responsible for loss mitigation efforts within the organization. As part of Ocwen's call center strategy focusing on single point of contact and proactive single call resolution, agents schedule appointments with a home retention counselor utilizing Ocwen's proprietary ACB technology. The ACB model streamlines the communication between borrower and counselor by establishing a pre-determined interview time and ensures that both parties are prepared with the necessary information and data and are committed to a resolution. The process is more transparent and easier for the borrower and management as represented by its improved loan modification acceptance rates. Additional technology such as the Contact Management System (CMS), serves as a dialogue delivery system enabling the Consumer Psychology team to make changes to

scripting in real-time. The CMS technology provides a platform for comparing various borrower communication strategies simultaneously, thereby providing significant flexibility to design calling campaigns and strategies as specific campaigns and investors require. Lastly, a new resolution model known as HomeownersOne, is being rolled out (in conjunction with OCR document scanning) that will enable the home retention counselor to efficiently review any and all resolution options during the ACB appointment with a borrower.. Designed to enhance OCR, it will identify the best resolution option for the borrower based on ability and willingness to pay. This model consists of assisted short sale and deed-in-lieu programs that will walk the borrower through the process and provide relocation assistance in each. Management believes that this approach will help to coordinate between the borrower and servicer while effectively facilitating property marketing and reducing carrying costs. .

Chart 10: Ocwen: Loan Modification Acceptance Rates



Ocwen is a participating servicer in the U.S. Treasury Department's Making Home Affordable (MHA) program. Ocwen offers various loan modification alternatives under the HAMP, Home Affordable Foreclosure Alternatives (HAFA) program; the homeowner's assistance unemployment program (HAUP); and the HAMP principal reduction alternative (PRA) program. Ocwen also offers non-HAMP loan modification alternatives and a shared appreciation modification program. Ocwen is now participating in the HAMP Tier 2 program with revised debt-to-income ratios and non-borrower occupied properties. Ocwen provided the following performance metrics regarding HAMP program loan modifications for the period January 1, 2012 through June 30, 2012.:

- 24% of HAMP solicitation mailings were returned and processed.
- 15% were approved and 85% were initially denied.
- During that period, 92% of trial modifications were converted to permanent status.
- 44% of non-HAMP modification applications were approved and 56% were denied.
- HAMP modification applications that were withdrawn due to incomplete paperwork or borrower qualification issues were 18% and 60%, respectively.
- Non-HAMP modification applications that were withdrawn due to incomplete paperwork or borrower qualification issues were 32% and 15%, respectively.
- Collectors have an average of 5 years of industry experience and 2 years tenure with Ocwen.
- There are 6 call monitoring sessions per month per agent with extensive feedback provided.

For additional information on the MHA initiative, HAMP guidelines and servicer performance, please visit www.treasury.gov.

Ocwen offers loan modifications through its proprietary Shared Appreciation Modification (SAM) program. Offered in 34 states, the program offers principal forgiveness to 95% of the loan-to-value (LTV) ratio at the time of modification contingent upon shared

appreciation in the future property value based on a 75% borrower/25% investor split. One-third of the forgiveness amount is forgiven on each anniversary date of the modification effective date for a period of three years.

Chart 11: Loan Modification Historical 6 Month Re-default Rates

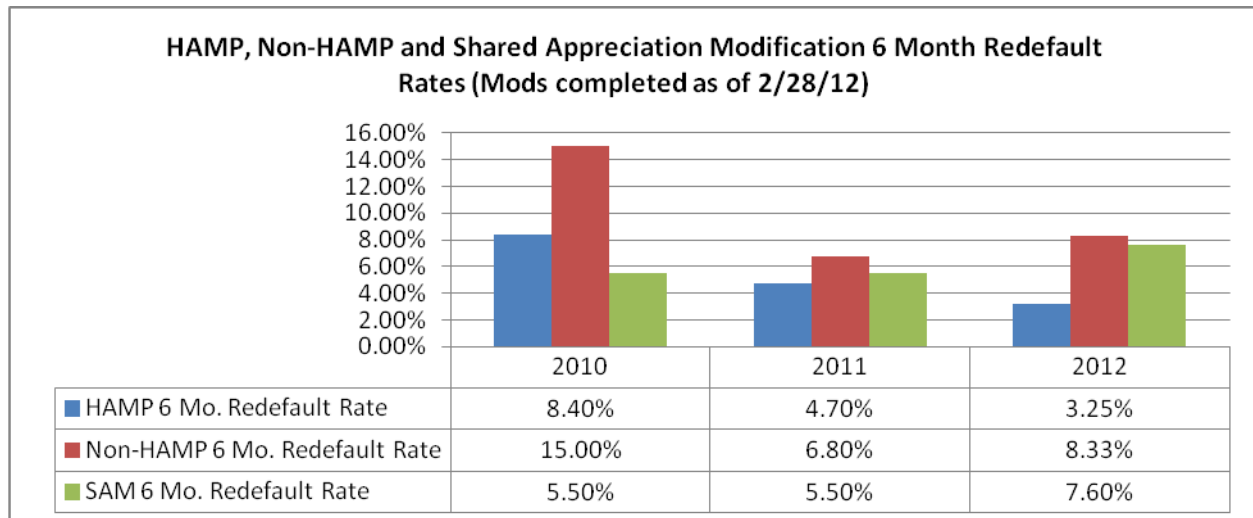
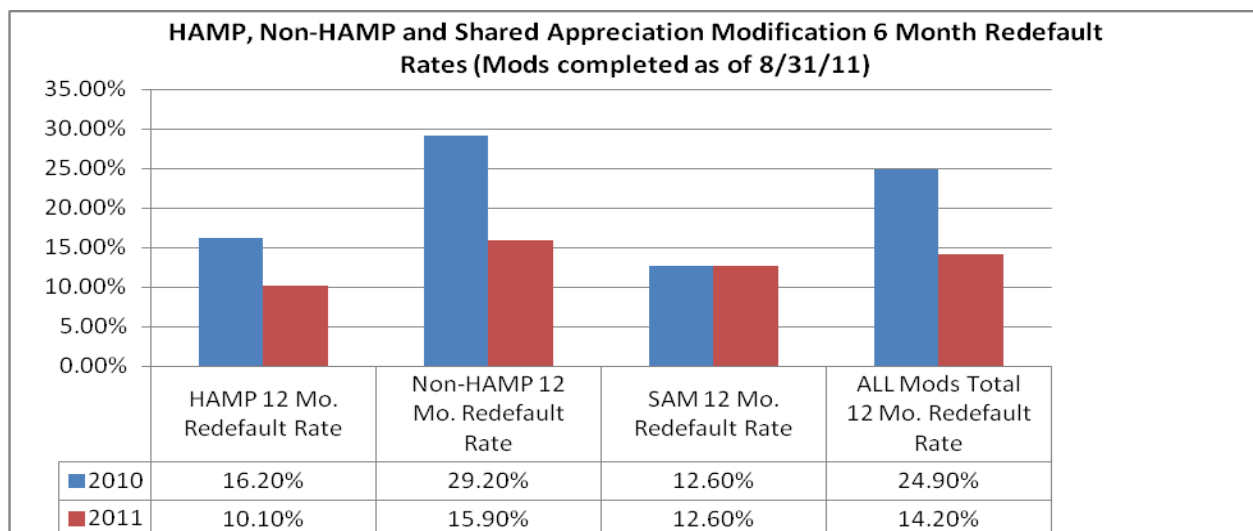


Chart 11.1 Loan Modification Historical 12 Month Re-default Rates



Loan modification efforts are supported by the Loan Resolution and Underwriting Department (LRPU). LRPU consists of more than 500 employees located in the U.S and India and are responsible for the processing, underwriting and completion of loan modification documentation. The highly detailed organizational workflow structure embedded within LRPU provides a high degree of transparency and accountability and the superior technology environment provides significant efficiencies. LRPU consists of 5 distinct areas. The processing area updates senior lien information, orders and updates property valuation data and reviews investor rules for charge-off situations. Applications are auto-routed into the appropriate underwriting queue. Applications requiring external investor or mortgage insurer approval are auto-routed and the system is flagged to await the corresponding approval before processing. The underwriting group reviews loan modification applications for completeness, including financial details, performs HAMP and other waterfall analysis for best strategies, and document reasons for denial. The system has built-in income calculators and checks eligibility and investor rules. Modification terms are system generated and investor restrictions or PSA constraints are removed from possible modification scenarios. A final agreement quality control area reconciles modification

terms to data points and assures completeness and overall accuracy of the loan modification document. A dedicated group responds to modification inquiries from customer care agents regarding the status of applications and provides loan specific historical modification data to internal business and auditing groups. A dedicated MHA Operations team serves as the primary point of contact internally for auditors and regulators and monitors government-issued program directives and guidelines changes to ensure compliance with the MHA program.

Ocwen has been very active in partnering with advocacy groups and community based counseling initiatives in many cities across the United States to promote homeownership retention. Ocwen's website provides extensive information and references to many organizations providing homeowner assistance. Ocwen is a participating servicer member in HopeNow's Hope LoanPort, a centralized web portal that collects loan modification documents to facilitate interaction between housing counselors, homeowners and servicers.

Assessment: Ocwen's homeownership retention efforts, in our view, are both innovative and highly successful based on their performance metrics. Loan modification solicitation, processing, underwriting, and quality control processes reflect the superior technology, training, organizational and workflow structure, and borrower communication efforts that Ocwen has built to support its home retention programs. The low re-default rates over time are further indication that this program is highly effective.

Foreclosure and Bankruptcy Administration

The foreclosure area is responsible for the distribution, management, and oversight of foreclosure files across the United States and all investor types. There are approximately 368 employees with an average of 615 files per staff member. Workflow is primarily assigned on a state-specific basis though investor teams are also developed. Approximately 21,000 foreclosures were processed subsequent to the Litton loan boarding. Ocwen has established its own network of preferred attorney relationships and utilizes its proprietary REALResolution technology to handle the life cycle of a loan in foreclosure. Workflow queues are used to manage the foreclosure caseload and track key events during the foreclosure process.

The Office of the Consumer Ombudsman, created in 2004, manages the pre-foreclosure review and foreclosure sale review processes. A 100% quality control audit is performed prior to the initiation of foreclosure and again prior to the property sale date. The file rejection rate from the pre-foreclosure and pre-sale review process is about 5% and 3%, respectively. The quality control process is designed to ensure compliance with all HAMP directives and applicable state statutory requirements. A HAMP escalation team manages all inquiries received as a result of a HAMP loan modification denial.

The following procedures and controls are in place:

- The foreclosure management team has significant tenure, with an average of 10 years of industry experience and 4 years with Ocwen.
- Foreclosure processors have an average of 3 years of tenure with Ocwen and 2 years of industry experience.
- Judicial and non-judicial foreclosures rates are 68% and 32%, respectively.
- The ratio of foreclosures completed to the industry standard is 98.20%.
- The foreclosure cure rate is 35.00%.
- More than 76% of foreclosure cases are borrower occupied; 14.21% are vacant, and about 7% are tenant occupied.
- Approximately 7% of loans in foreclosure file bankruptcy resulting in a 66 day delay, on average.
- Attorney scorecards are maintained for evaluating key performance and compliance metrics and attorney firms are monitored for ongoing capacity.
- Foreclosure registration requirements are handled directly with the applicable state or via a third party vendor.
- HAMP certificate is produced and referred to outside counsel.

In response to the regulatory, legal and reputational risk to the mortgage servicing industry arising from the "robo-signing" scandal and the multi-state Attorney General investigation and ultimate settlement, Ocwen voluntarily conducted a comprehensive review of their internal foreclosure affidavit and attestation processes. During 2011, Ocwen increased its staff by 57 employees in this area. In addition, an attorney and 6 paralegals were hired to enhance communication with outside counsel and manage ongoing compliance with state requirements. Most notably, a uniform affidavit template was created for all the 24 judicial states and a dedicated affidavit signing room was created where all document attestations are performed. Lastly, additional training and

continuing education modules have been developed to provide employees with deeper insight and information regarding changes to state requirements in this area.

The bankruptcy area is responsible for the distribution, management, and oversight of bankruptcy files across the United States and all investor types. The bankruptcy caseload totals approximately 39,000 cases. The bankruptcy team is responsible for filing proof claims, and motions for relief and in-rem relief; monitoring consent orders; and responding to objections and cramdowns. There are approximately 240 employees with an average of 605 files per staff member. Workflow is primarily assigned on a process task level, such as proof of claim, reconciliations, and assumptions. Ocwen has established its own network of preferred attorney relationships and utilizes its proprietary REALResolution technology to handle the life cycle of a loan in bankruptcy. Workflow queues are used to manage the bankruptcy caseload and track key events during the bankruptcy process.

The following performance metrics are in place:

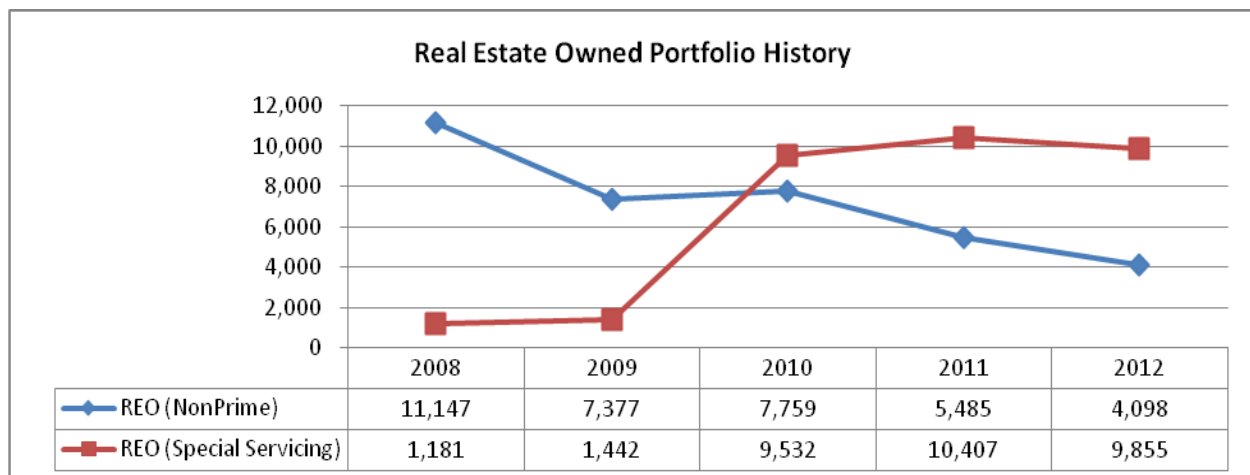
- The bankruptcy management team has significant tenure, with an average of 9 years of industry experience and 5 years tenure with Ocwen.
- Bankruptcy processors have an average of 5 years of tenure with Ocwen and 2 years of industry experience.
- Chapter 13, 7, and 11 bankruptcy cases account for 80%, 18%, and 2%, respectively, of its bankruptcy cases.
- The proof of claim line item rejection rate is a low 1%.
- Performing bankruptcy cases are approximately 40%, while 20% are charged off.
- A lift of stay motion is filed within approximately 15 days.

Bankruptcy proof of claim documents are prepared by staff in India and undergo the same attestation process as foreclosure documents in the U.S.

Assessment: The foreclosure and bankruptcy processes, in our view, benefit from a high level of technology and well-developed process controls that serve to minimize regulatory, legal and headline risk. The servicer performance metrics in these areas, overall, meet or exceed industry standards. The quality assurance file reviews developed around various stages of foreclosure processing, as well as the controls surrounding the affidavit preparation and attestation process, illustrate Ocwen's dedication to a continuous improvement environment and serves to significantly minimize risk.

Real Estate Owned (REO) Administration and Marketing

Chart 12: Real Estate Owned Portfolio History (Combined Non-Prime & Special Servicing Portfolios)



The REO team is responsible for the entire life cycle of an REO property, including property maintenance and valuation, marketing and settlement processes of a portfolio of more than 15,000 assets. There are approximately 530 employees with an average of 28 files per staff member. Workflow is primarily assigned on a state-specific basis though investor teams are also developed. Ocwen has established its own in-house national brokerage and a referral broker network and utilizes its proprietary

REALResolution technology to handle the life cycle of the REO asset. REO maintenance activities are internally managed via a national vendor network consisting of 2,000 vendors. Workflow queues are used to manage the REO asset caseload and track key events during the foreclosure process.

The Compliance area, based in Atlanta, GA, maintains a database containing a matrix of property registration and maintenance requirements for each state. A team of field service engineers monitors REO assets in the field and performs quality control on Ocwen's network of field service vendors. Financial penalties for code violations on REO properties are tracked. Management reports that about 75% of violations occur prior to foreclosure and are out of the vendors control, and that Ocwen is indemnified for about 25% of code violation penalties. Ocwen offers cash for keys as an incentive for occupants to vacate in order to avoid a costly and protracted eviction process. For tenants, Ocwen offers occupancy outreach efforts, including relocation assistance. Repairs are done based on a cost-benefit analysis and are approved by the asset manager.

Ocwen's Uruguay office monitors vendor approval, including insurance coverages, licensing and bonding requirements, financial statements, references and background checks. Comprehensive scorecards, containing both qualitative and quantitative assessment factors are produced monthly to monitor marketing, sales and vendor performance levels.

The following procedures and controls are in place:

- REO asset managers have significant tenure with an average of 8 years of industry experience and 5 years tenure with Ocwen.
- REO staff have an average of 3 years of tenure with Ocwen and 2 years of industry experience.
- Nearly 48% of REO assets require eviction, which takes approximately 97 days to complete.
- Cash for relocation success rate averages an effective 30+ %.
- The average inventory turnaround time is 256 days.
- The average time to market an asset post-eviction to closing is 148 days.
- The REO inventory turn rate is 15.15%.
- REO properties are loaded into MLS and are viewable on multiple websites. Additional is provided by the GoHoming.com consumer web portal.
- The gross sales to market value ratio is 88.50%.
- The net sales to market value ratio is 83.80%.
- The overall loss severity is 78.90%.

Assessment: The Real Estate Owned (REO) function, in our view, demonstrates effective control of the REO asset management functions, including property maintenance, valuation and marketing. Ocwen's servicer performance metrics in the areas of inventory management and marketing compare favorably with industry performance standards.

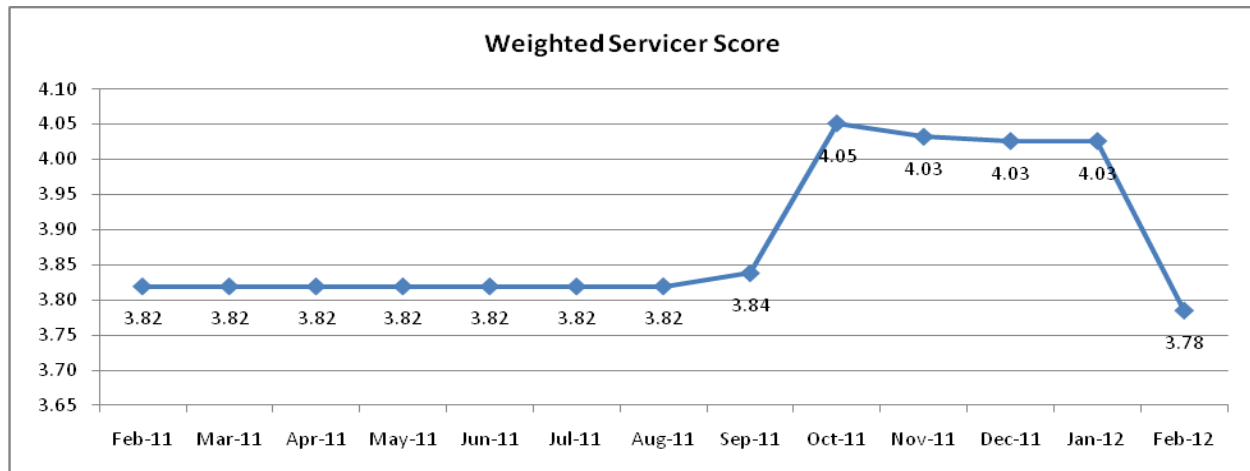
Servicer Performance Score

The servicer performance score was designed by Morningstar to assess the effectiveness of the servicer and provides a score that ranks a servicer among its peers based on the servicer's ability to generate cash flow. The servicer score analysis incorporates a zero age model that divides every mortgage into nine categories and then applies coefficients for 29 variables in order to provide a risk-adjusted estimation. The zero age model is based solely on origination attributes and market force metrics experienced by the mortgage since origination. For the purposes of this model, the status histories are ignored in order to show the cumulative effect of servicing effort over the elapsed life of the mortgage. Macro and regional economic factors, such as lending conditions, interest rates, home-price movements, unemployment and affordability, affect the individual borrower's ability and willingness to pay his mortgage. These market forces come in the form of the borrower's employment and income growth, and also through changes in the monthly payment and the market-adjusted loan-to-value ratio (LTV). These drivers do not only affect the probability of borrower default and liquidation, but will also affect the level of recovery upon liquidation or the severity of the default. These economic factors influence mortgage loan performance because they change the circumstances and options of obligors. The zero age model is risk adjusted and will have different expectations based on loan risk and market conditions since

loan origination. Consequently, a high risk portfolio will have lower cash collection than a low risk portfolio and a loan portfolio concentrated in a distressed market will have higher default rates.¹

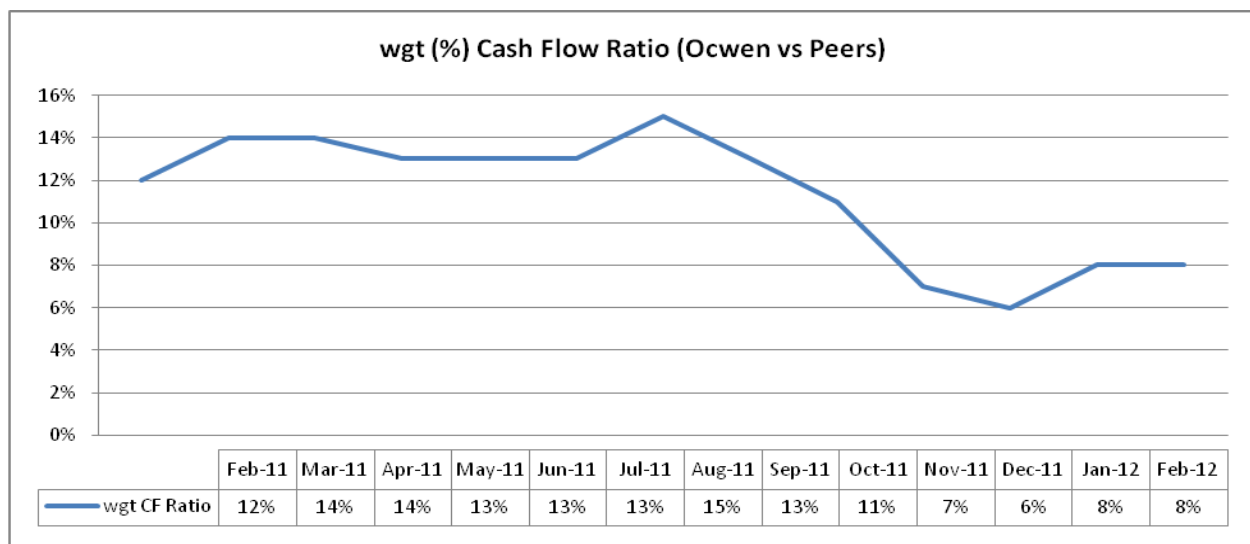
The servicer score for Ocwen, based on a cash flow analysis as of February 29, 2012, is 3.78 on a 5 point scale. See Chart 13 below.

Chart 13: Weighted Servicer Score (as of 2-29-12)



In order to determine the servicer cash flow score, the results of the zero age model are compared to actual cash collected by the universe of servicers (synthetic benchmark), for a rolling 12-month period. The difference between actual cash collected and expected cash collected is averaged across all servicers in order to create the adjusted mean for the time period. The adjusted mean allows for servicers to be judged for their comparison to their peers, not for their comparison to the zero age model. See Chart 14 below.

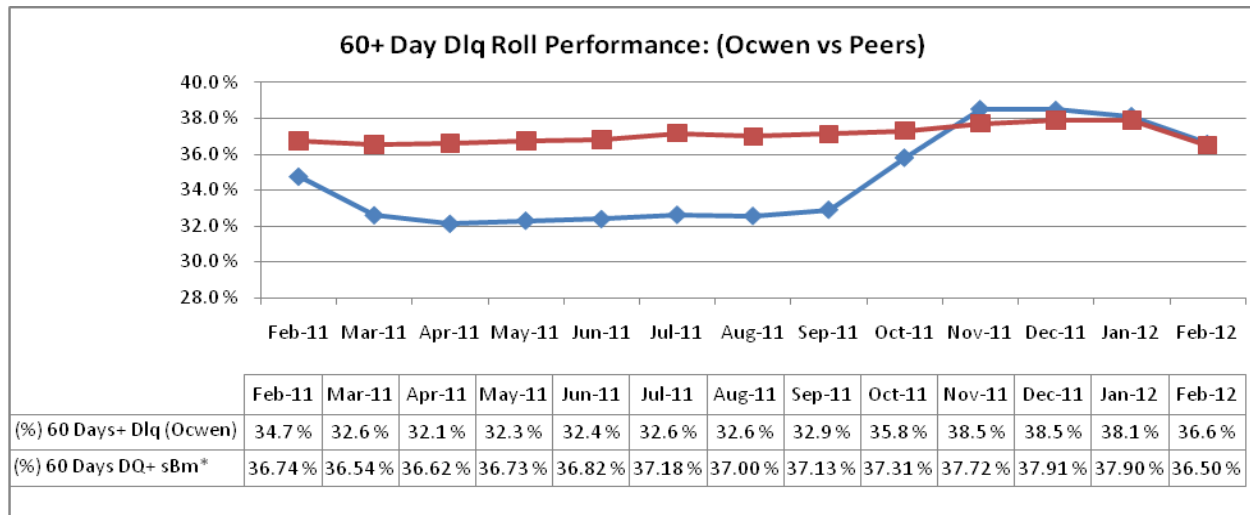
Chart 14: Weighted Cash Flow Ratio (Ocwen vs Peers) (as of 2-29-12)



¹ For more information please refer to: 'Servicer Performance Scoring: *Using Cash Flow to Measure Servicer Success*;' Michael Biddle and Michael Gutierrez, The Journal of Structured Finance. Spring 2012, Vol. 18, No. 1.

Effective servicers will have a relatively lower rate of 60-day delinquency. Higher risk loans will have higher delinquency, but the relative risk associated with origination attributes and market conditions have been accounted for in the servicer score. Lower risk loans will not have as much separation in the metric as the high-risk loans. In this analysis, a lower collection of principal and interest not only causes a lower servicer score, but also reveals that the servicer will have higher losses in the future as delinquent mortgages are liquidated. See Chart 15 below.

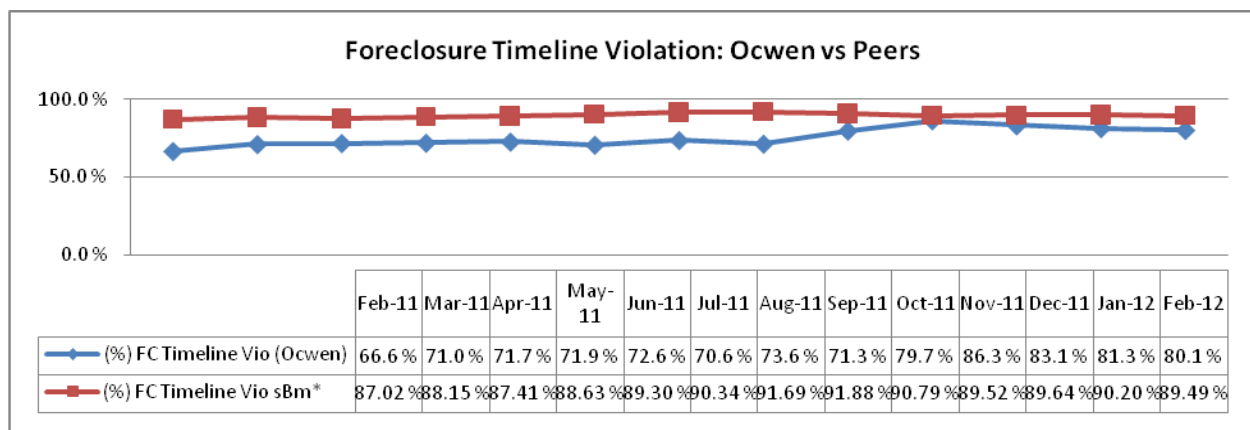
Chart 15: 60+ Day Delinquency Bucket Roll Performance (Ocwen vs Peers) (as of 2-29-12)



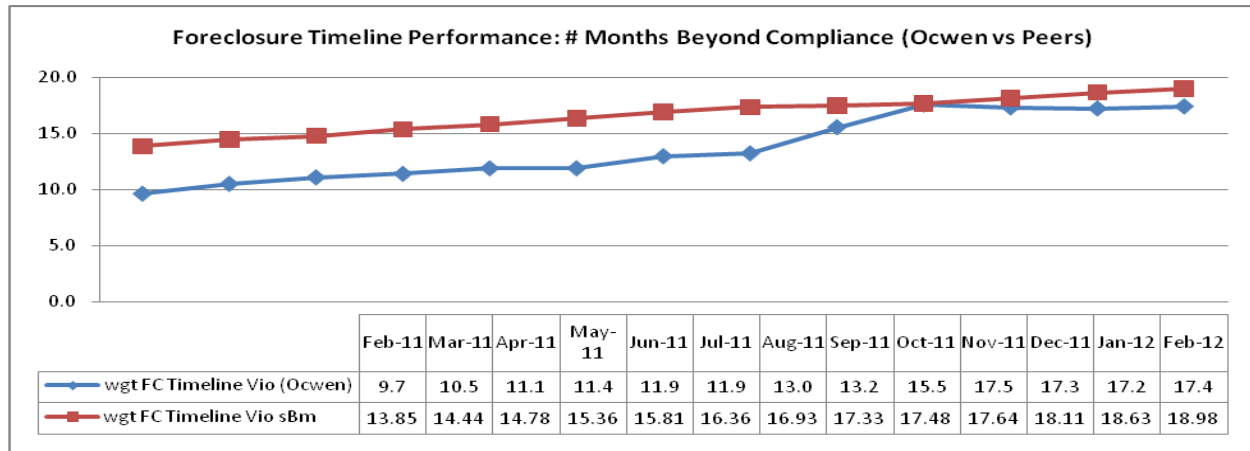
sBm* Denotes "synthetic benchmark": The synthetic benchmark consists of a universe of approximately 4.3 million residential loans that form the basis of the peer group for comparison purposes.

Another component that affects incremental cash flow is the servicer's foreclosure timeline management. A servicer's ability to follow standard foreclosure processes and liquidate REO properties in a timely manner allows for the minimization of loss severity and maximization of cash flow. In today's environment, underscored by record-high foreclosure rates, moratoriums, government intervention programs, and overwhelmed servicers, foreclosure timelines have been very difficult to manage. Since the servicer score is a relative measure, servicers are not penalized for violations, which has led to lower cash flow. The score is designed to penalize only those servicers who are violating timelines to a greater degree than their peers. See Chart 16 below. Similarly, Chart 17 on page 29 illustrates the degree to which Ocwen's foreclosure timeline performance is beyond compliance and, consequently, is performing better than its peers.

Chart 16: Foreclosure Timeline Violation History (% Out of Standard; Ocwen vs Peers) (as of 2-29-12)

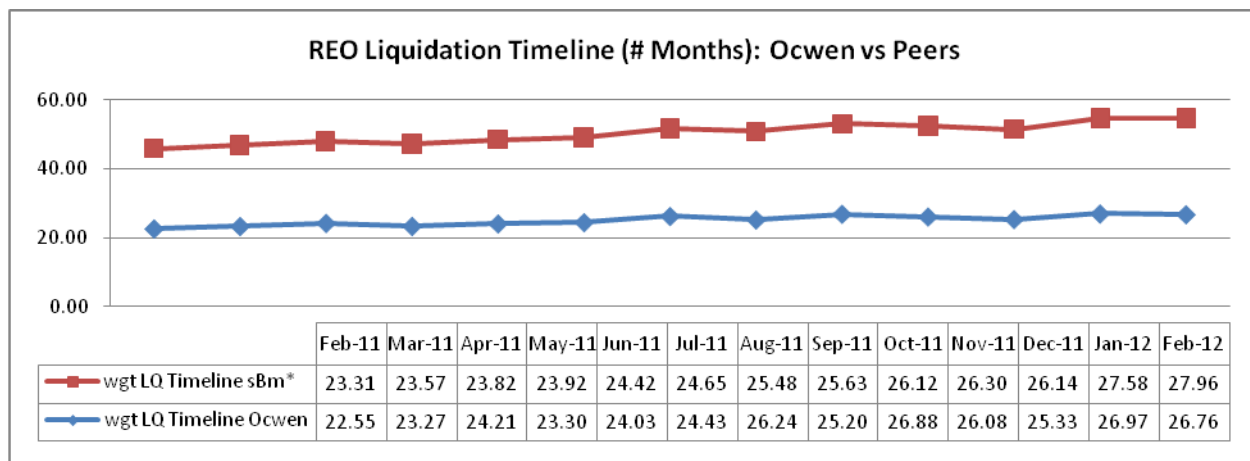


sBm* Denotes "synthetic benchmark": The synthetic benchmark consists of a universe of approximately 4.3 million residential loans that form the basis of the peer group for comparison purposes.

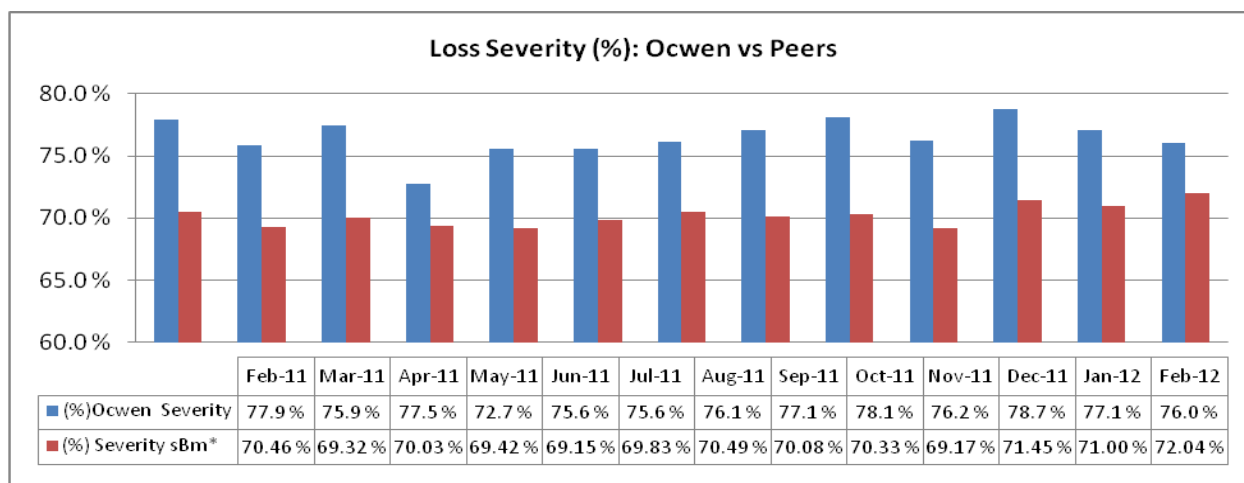
Chart 17: Foreclosure Timeline Performance: # Months Beyond Compliance (Ocwen vs Peers) (as of 2-29-12)

sBm* Denotes "synthetic benchmark": The synthetic benchmark consists of a universe of approximately 4.3 million residential loans that form the basis of the peer group for comparison purposes.

Another leading indicator of a servicer's ability to minimize losses and maximize recovery is the amount of time it takes to market and liquidate REO properties. Protracted eviction and marketing timelines will adversely impact loss severity and minimize recovery. (See Charts 18 and 19 that follow).

Chart 18: Real Estate Owned (REO) Liquidation Timeline (# Months): Ocwen vs Peers (as of 2-29-12)

sBm* Denotes "synthetic benchmark": The synthetic benchmark consists of a universe of approximately 4.3 million residential loans that form the basis of the peer group for comparison purposes.

Chart 19: Loss Severity (%): Ocwen vs Peers (as of 2-29-12)

sBm* Denotes "synthetic benchmark": The synthetic benchmark consists of a universe of approximately 4.3 million residential loans that form the basis of the peer group for comparison purposes.

Assessment: In our view, the servicer score analysis illustrates Ocwen's servicer performance as significantly better than its industry peers. In the areas of cash flow velocity, 60-day roll rate migration, foreclosure timeline performance and REO liquidation management, Ocwen is a superior performer in default management and recovery.

Ranking Definitions

The numerical scale of 'MOR RS1' to 'MOR RS4' is defined as follows:

- '1' Exceeds prudent loan servicing standards in key areas of risk
- '2' Demonstrates proficiency in key areas of risk
- '3' Demonstrates compliance in key areas of risk
- '4' Demonstrates lack of compliance in one or more key areas of risk

A servicer assigned a ranking of at least 'MOR RS3' is deemed to comply with what we view as the minimum prudent loan servicing standards and requirements for the servicer's operational category and role. To access Morningstar's *Operational Risk Assessments of Residential and Consumer Finance Servicers and Vendors: Methodology and Process*, please visit <http://ratingagency.morningstar.com>.

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